amount necessary to increase or reduce the actual inventory of the applicant to December 31 of the preceding year to his estimated inventory allowance for the current calendar year, pursuant to § 1315.24.

§ 1315.24 Inventory allowance.

(a) For the purpose of determining individual manufacturing quotas pursuant to § 1315.23, each registered manufacturer shall be allowed as a part of the quota an amount sufficient to maintain an inventory equal to either of the following:

(1) For current manufacturers, 50 percent of his average estimated net disposal for the current calendar year and the last preceding calendar year; or

(2) For new manufacturers, 50 percent of his reasonably estimated net disposal for the next calendar year as determined by the Administrator.

(b) During each calendar year each registered manufacturer shall be allowed to maintain an inventory of a chemical not exceeding 65 percent of his estimated net disposal of that chemical for that year, as determined at the time his quota for that year was determined. At any time the inventory of a chemical held by a manufacturer exceeds 65 percent of his estimated net disposal, his quota for that chemical is automatically suspended and shall remain suspended until his inventory is less than 60 percent of his estimated net disposal. The Administrator may, upon application and for good cause shown, permit a manufacturer whose quota is, or is likely to be, suspended under this paragraph to continue manufacturing and to accumulate an inventory in excess of 65 percent of his estimated net disposal, upon such conditions and within such limitations as the Administrator may find necessary or desirable.

(c) If, during a calendar year, a registrant has manufactured the entire quantity of a chemical allocated to him under an individual manufacturing quota, and his inventory of that chemical is less than 40 percent of his estimated net disposal of that chemical for that year, the Administrator may, upon application pursuant to § 1315.25, increase the quota of such registrant sufficiently to allow restoration of the inventory to 50 percent of the estimated net disposal for that year.

§ 1315.25 Increase in individual manufacturing quotas.

(a) Any registrant who holds an individual manufacturing quota for a chemical may file with the Administrator an application on DEA Form 189 for an increase in the registrant's quota to meet the registrant's estimated net disposal, inventory, and other requirements during the remainder of that calendar year.

(b) The Administrator, in passing upon a registrant's application for an increase in the individual manufacturing quota, shall take into consideration any occurrences since the filing of the registrant's initial quota application that may require an increased manufacturing rate by the registrant during the balance of the calendar year. In passing upon the application the Administrator may also take into consideration the amount, if any, by which his determination of the total quantity for the chemical to be manufactured under § 1315.11 exceeds the aggregate of all the individual manufacturing quotas for the chemical, and the equitable distribution of such excess among other registrants.

§ 1315.26 Reduction in individual manufacturing quotas.

The Administrator may at any time reduce an individual manufacturing quota for a chemical that he has previously fixed to prevent the aggregate of the individual manufacturing quotas and import quotas outstanding or to be granted from exceeding the assessment of annual needs that has been established for that chemical pursuant to § 1315.11, as adjusted pursuant to § 1315.13. If a quota assigned to a new manufacturer pursuant to § 1315.23(b), or if a quota assigned to any manufacturer is increased pursuant to § 1315.24(c), or if an import quota issued to an importer pursuant to § 1315.34, causes the total quantity of a chemical to be manufactured and imported during the year to exceed the assessment of annual needs that has been established for that chemical pursuant to § 1315.11, as adjusted pursuant to